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By Electronic Filing

The Honorable Martin Glenn, U.S.B.J.
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, New York 10004

Re: *Status of Administration of ResCap Borrower Claims Trust*
Case No. 12-12020 (MG)

Dear Judge Glenn:

This firm is litigation counsel to the ResCap Borrower Claims Trust (the "Borrower Trust").

During the omnibus hearing held on September 21, the Court requested the Borrower Trust to submit a report on the current status of its claims administration efforts. This letter summarizes those efforts to date.

When the Plan went effective in December 2013, 1,420 Borrower Claims were unresolved. As of the date of this letter, as a result of the Borrower Trust's tireless efforts, only approximately 118 Borrower Claims remain unresolved (the "Unresolved Claims").¹ This dramatic improvement over the past 21 months is the result of both a focused effort to disallow non-meritorious claims through objections brought before this Court as well as an effort to amicably resolve claims. Previously, the Borrower Claims Trustee spearheaded a settlement campaign in which the Borrower Trust offered to consensually resolve scores of Borrower Claims. That initial settlement campaign yielded 145 settlements, eliminated more than \$8.4mm in the face amount of claims, and resolved 32 unliquidated claims. The Borrower Trust is currently pursuing a similar settlement campaign and has reached out to at least forty claimants whose claims the Borrower Trust believes can be resolved consensually. For those claims that cannot be resolved amicably, the Borrower Trust will address the

¹ This figure includes the Unresolved Claims for which there has not yet been either a final judgment expunging the claim or a consensual settlement fixing the allowed amount of the claim, but does not include the 114 Borrower Convenience Claims, which the Borrower Trust does not anticipate contesting.

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Unresolved Claims either through the filing of omnibus claims objections or a separate objection to the individually filed claim.

In addition, certain contested Borrower Claims have already been before the Court but have not yet been fully resolved because the Borrower Trust's objection was granted in part but also denied in part. The Borrower Trust has made an effort to try to resolve those claims consensually but has not been able to reach a settlement with the applicable borrower. Accordingly, putting aside those matters for which status conferences have recently occurred or will occur during the omnibus hearing on October 15, the Borrower Trust will shortly be requesting a status conference on the contested claim of Kenneth Dlin. Overall, there are approximately 12 contested claim matters pending before the Court in various stages of litigation. In addition, the Court is scheduled to hear the Borrower Trust's eighty-ninth omnibus claims objection in approximately one month.

Moreover, the Borrower Trust is currently defending approximately 12 appeals in both the Southern District of New York as well as the Court of Appeals for the Second Circuit, which were filed by certain Borrowers whose claims were expunged previously by the Court.

Finally, the Borrower Trust remains focused on bringing a motion to establish a disputed claims reserve as soon as possible in order to facilitate a meaningful distribution to holders of Allowed Borrower Trust Claims. The timing of such a motion remains to be determined; however, it will certainly be brought before the Court once the Borrower Trust confirms that it can reserve in a manner that limits the necessity of having to estimate a significant number of Unresolved Claims.

Thank you.

Respectfully Submitted,

/s/ Jordan A. Wishnew
Jordan A. Wishnew